



Charlotte Housing Authority

**ASSET MANAGEMENT
and
RESIDENT SERVICES**

January 2008

Two Types of Expense

- Fees – PHA overhead (computer systems, office building expense, HR, Finance, Legal, Procurement, Regional Managers, etc.). All these types of expenses must be paid from the fees charged to the site
- Front-line – site personnel, repair/maintenance, utilities, and insurance for the property, **family self-sufficiency staff and program costs**, etc.



Funding Resident Services

- Resident Services is a **Front Line Expense** and charged to the site
- It is preferable that all resident services, to the extent practical be site-based, allowing cost to be easily tracked by site
- If you can not reasonably track personnel costs for Resident Services you may prorate these costs to the sites



Funding Sources for Resident Services

- Site Operating Budgets:
 - Direct or Allocated Expense
 - Contributing Sources:
 - Excess Cash
 - Capital Fund
 - Self-sustaining Real Estate Transactions
- Grants
 - HUD Grants (ROSS)
 - Other Grants

Housing Authority of the City of Charlotte												
Central Services Cost Allocation Plan												
March 31, 2006												
Summary Amounts												
Indirect Cost Center:		Front Line										
Allocation Methodology:		Composite Allocation Rates		Direct Cost		Vehicles		Terminals		Requisitions		Units
Cost Classifications:		Grand Total	Salaries & Benefits	Other	Salaries & Benefits	Other	Salaries & Benefits	Other	Salaries & Benefits	Other	Salaries & Benefits	Other
Public Housing Ops.												
Public Housing Ops.		661,141	461,980	226,161	200,161	45,940	36,266	136,636	40,232	17,696	110,029	23,948
All Other Funds		447,367	350,738	96,629	222,354	38,433	10,142	581	31,196	12,941	32,800	20,725
TOTAL FUNDS		1,108,508	812,718	325,790	422,515	119,497	55,782	3,786	67,434	30,086	172,237	130,754

Excess Cash Formula

- Certain current asset accounts
 - Sum of all current liability accounts
 - 1 month's operating expenses for the project (total operating expenses ÷ by 12)
- PHA may transfer Capital Fund Program funds to operations in order to create excess cash, but this should be in the best interest of the property.



Use of Site's Excess Cash

If the AMP has excess cash available it may:

- Retain these funds for future use
- Transfer these funds to other AMPs
- Pay an asset management fee to the COCC
- Use these funds for other HUD-approved eligible purposes



Capital Fund

- Capital Fund program funds can **only** be used to directly support the projects and its residents!
- PHAs are permitted to transfer up to 20% of its Capital program funds to operations at the site level for front-line expenses, NOT the COCC
- **This is a potential funding source for resident services**, since they are a front-line expense of the site, either directly captured or allocated



HOPE VI - Mixed Financed Projects

- Requirement of the real estate transaction that a social service fee is paid from site budget annually to pay for our FSS program costs
- Build a resident services expense in to the pro-forma from the beginning
- Along with HUD revenue, other mixed income revenue is used to fund all expenses of the assisted units, including social services
- Social service reserve account is established upfront, just like an operating reserve



Asset Management Summary

- Forces funding focus down to project level
- Project expenses (front-line or allocated) need to be carefully budgeted at the project level
- Careful analysis is required for the organization's central office cost center
- Funding is basically the same but accounted for differently
- Requires a business approach with resident focus
- Promotes performance and financial accountability



Questions

